

## Setting up for the sale of Canada Post

Open letter to: The Right Honourable Stephen Harper, Prime Minister

Dear Prime Minister Harper:

As a postal worker and as a citizen, I am concerned about the factuality of the statements you gave at a press conference which I watched on CITY-TV on February 13, 2014. Specifically, I challenge the following:

1. Well, as you know, Canada Post is a Crown Corporation, with a management structure separate from the government. It is true that Canada Post is a Crown Corporation (which means that it is owned by every Canadian.) However, Canada Post's separate management structure is a fable. The fact that the CEO of Canada Post is appointed by Order-in-Council (in other words, by you, Mr. Harper) means that that person owes his/her position and loyalty to you. (S) he will probably do what you want, and the 22 vice-presidents, all the managers, and the hundreds of supervisors will follow suit, mostly to protect their jobs.

2. Something has happened to mail volumes in Canada called the internet, and the effects are dramatic. You are entirely correct. Something has happened to the volume of mail - it's gone up! And much of that is because of the internet. This past December, Canada Post recorded over 1 million daily parcel deliveries at least 5 times. People may be buying online, but somebody still has to deliver the product - and Canada Post does that better than anyone else.

3. Somebody on my staff said, and I could be wrong, a drop of something like a billion pieces of mail over a decade. Well, Mr. Harper, you are wrong. Overall, the volume of mail has increased every year. There are two things you need to know:

a. The volume of 'lettermail' has gone down, but the volume of 'admail' has gone up. The volume of parcel mail has increased dramatically. When everything (lettermail, admail, and parcels) are included, the volume of mail delivered has, over the years, risen. I believe it will continue to rise.

b. While overall volumes may not have declined, the number of addresses to which Canada Post must deliver is always rising. This is the real challenge that Canada Post must face.

4. Canada Post is now in hundreds of millions of dollars of deficit each year. You know as well as I do that the 'deficit' you're talking about is the 'unfunded liability' in the employee pension plan. You use this as a scare tactic, and you hope that most people don't understand the difference between 'deficit' and 'debt'. So again - here are the facts:

a. Canada Post and The Canadian Union of Postal Workers (CUPW) agreed years ago to establish a pension fund, for the benefit of Canada Post employees. Each employee was (and is) required to contribute to the plan, and their contributions were supposed to be matched by Canada Post Corporation. This plan was 'guaranteed' by the Government of Canada.

b. Canada Post decided that, in order to remain competitive, it needed new sortation equipment. To pay for the new equipment, Canada Post asked that its pension obligation be deferred for 5 years. You agreed, Mr. Harper - and this is the deficit we're looking at - a deficit that you created for your own political gain. This is the 'unfunded pension obligation' mess you created. Please stop blaming Canada Post and its employees for your own short-sightedness?

Mr. Harper, the facts are quite simple?

1. Since 1995, Canada Post has returned a profit to its owners (every taxpayer) every year except one.

2. Canada Post continues to post profits every year. The Conference Board of Canada predicted a loss of some \$250 million dollars for 2012. That supposition forms the basis for all of their subsequent arguments. As we both know, that supposition is wrong. In 2012, Canada Post Corporation posted a profit of about \$95 million.

3. According to its senior 'management', Canada Post is on track to lose 'several million dollars' (their words) in 2013. Mr. Harper, I'd be willing to bet that when the numbers come in, Canada Post will actually post a profit for 2013.

I understand your agenda. You are attempting to lower the public's perceived value of Canada Post, so that when it is offered for sale (privatized), you hope no one will care. You are attempting to set up the sale of Canada Post. I think you need to take another look at your priorities, Mr. Harper.

Douglas Pearce,

New Tecumseth